

BILL ANALYSIS

Senate Research Center
77R1231 MXM-D

S.B. 186
By: Truan
Veterans Affairs and Military Installations
2/1/2001
As Filed

DIGEST AND PURPOSE

Currently, automobile insurance discounts are not allowed for active duty military personnel with good driving records, while other groups are allowed discounts. As proposed, S.B. 186 allows automobile insurance discounts for active duty military personnel, or the spouse of an individual on active duty in the military, who have met certain criteria.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 2, Article 5.03-6, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 5A, Insurance Code, by adding Article 5.03-6, as follows:

Art. 5.03-6. PREMIUM DISCOUNT FOR UNITED STATES ARMED FORCES PERSONNEL

Sec. 1. DEFINITIONS. Defines “applicant,” “insurer,” and “motor vehicle.”

Sec. 2. DISCOUNT AUTHORIZED; ELIGIBILITY CONDITIONS FOR DRIVERS. Authorizes an insurer who delivers or issues for delivery in this state a motor vehicle insurance policy, on receipt of written verification from the insured that the insured or a family member covered by the policy is eligible under Subsection (b) to grant a discount in the amount provided by Subsection (f) in the premiums charged for the liability, medical payments, personal injury protection, and collision coverage only for the motor vehicle designated to be driven by the eligible individual. Sets forth eligibility requirements for the discount authorized under this section. Provides that an applicant is not eligible to receive a discount under this article if the applicant has been convicted of an offense relating to the operation of a motor vehicle under Chapter 49 (Intoxication and Alcoholic Beverage Offenses), Penal Code; Article 67011-1 (Repealed), V.T.C.S., as that statute existed before repeal by Chapter 900, Acts of the 73rd Legislature, Regular Session, 1993, or Section 19.05 (Criminally Negligent Homicide), Penal Code, as that statute existed before amendment by Chapter 900, Acts of the 73rd Legislature, Regular Session, 1993; or another state’s similar statutes. Provides that for purposes of Subsections (b) and (c), an applicant is considered to have been convicted in a case if a sentence is imposed; or the applicant receives community supervision or analogous treatment under the law of another state. Authorizes the commissioner of insurance (commissioner) by rule to establish additional requirements for receipt of a discount under this article. Requires the commissioner by rule to set the amount of the discount applicable under this article and authorizes the commissioner to adopt other rules necessary for the implementation of this article.

Sec. 3. INELIGIBILITY; REVOCATION OF DISCOUNT. Prohibits an individual from continuing to receive a discount under this article after the first date on which the individual fails to satisfy the requirements of Section 2 of this article unless the individual reestablishes eligibility under this article. Requires an insurer to revoke a discount under this article if an applicant for the discount

knowingly provides false information in or with the application.

SECTION 2. Makes application of this Act prospective to January 1, 2002.

SECTION 3. Effective date: September 1, 2001.